



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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December 29, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual account for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 23	\$28,300
(2)	Account Number EMS 27	\$20,000
(3)	Account Number EMS 37	\$14,399
(4)	Account Number EMS 36	\$12,089
(5)	Account Number EMS 33	\$1,960

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This Agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care. The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling approximately \$76,748.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on November 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on this account will help DHS replenish the trauma funds.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

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Attachments

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: December 15, 2005

Total Charges	\$80,957	Account Number	EMS 23
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$80,957	Date of Service	7/4/2004 - 7/15/2004
Compromise Amount Offered	\$28,300	% Of Charges	35%
Amount to be Written Off	\$52,657	Facility	Non-County Operated

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Holy Cross Medical Center and incurred total inpatient charges of \$80,957 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$28,300. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$33,333	\$33,333	33.3%
Attorney Cost	\$6,346	\$721	.7%
Los Angeles County	\$80,957	\$28,300	28.3%
Other Lien Holders	\$9,342	\$7,485	7.5%
Patient		\$30,161	30.2%
Total		\$100,000	100%

As stated in the Non-County Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: December 15, 2005

Total Charges	\$57,524	Account Number	EMS 27
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$57,524	Date of Service	01/6/2004 - 01/9/2004
Compromise Amount Offered	\$20,000	% Of Charges	35%
Amount to be Written Off	\$37,524	Facility	Non-County Operated

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Holy Cross Medical Center and incurred total inpatient charges of \$57,524 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,164. The patient's third-party claim has been settled for \$475,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$156,666	\$156,566	33.0%
Attorney Cost	\$3,000	\$2,861	.6%
Los Angeles County	\$57,524	\$20,000	4.2%
Other Lien Holders	\$6,498	\$6,498	1.4%
Patient		\$288,975	60.8%
Total		\$475,000	100%

As stated in the Non-County Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: December 15, 2005

Total Charges	\$46,709	Account Number	EMS 37
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$46,709	Date of Service	12/2/2003 - 12/9/2003
Compromise Amount Offered	\$14,399	% Of Charges	31%
Amount to be Written Off	\$32,310	Facility	Non-County Operated

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$46,709 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$14,399. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$33,300	\$20,000	20.0%
Attorney Cost	\$500	\$500	.5%
Los Angeles County	\$46,709	\$14,399	21.7%
Other Lien Holders	\$21,663	\$21,663	14.4%
Patient		\$43,438	43.4%
Total		\$100,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: December 15, 2005

Total Charges	\$41,926	Account Number	EMS 36
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$41,926	Date of Service	12/2/2003 - 12/6/2003
Compromise Amount Offered	\$12,089	% Of Charges	29%
Amount to be Written Off	\$29,837	Facility	Non-County Operated

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$46,709 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$12,089. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$33,300	\$20,000	20.0%
Attorney Cost	\$513	\$513	.5%
Los Angeles County	\$41,926	\$12,089	12.1%
Other Lien Holders	\$22,162	\$22,162	22.2%
Patient		\$45,236	45.2%
Total		\$100,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 5
DATE: December 15, 2005**

Total Charges	\$19,196	Account Number	EMS 33
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$19,196	Date of Service	01/10/2003 - 01/11/2003
Compromise Amount Offered	\$1,960	% Of Charges	10%
Amount to be Written Off	\$17,236	Facility	Non-County Operated

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$19,196 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$1,960. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$6,300	\$6,000	40.0%
Attorney Cost	\$649	\$649	4.3%
Los Angeles County	\$19,196	\$1,960	13.1%
Patient		\$6,391	42.6%
Total		\$15,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.